

First Draft Report (for approval)

ATTORNEYS' CONFERENCE

On

VENTILATED CIGARETTE

(London, 25th-26th March 1981)

2025046346

VENTILATED CIGARETTE

ATTORNEYS' CONFERENCE  
London 25th-26th March  
1981

Attended by: Howard K. Kothe (New York)  
Dr. H.K. Hach (Mosbach)  
J.H. Bass (London)  
Dr. H. Gaisch - Philip Morris Europe  
Mr. J.C. Mandiratta Philip Morris Europe  
Mr. N. Marlowe (Reddie & Grose)

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RECOMMENDATIONS

1. The first priority is to defend our own right to produce ventilated filter cigarettes by attacking Brown & Williamson Patents, and possibly also those of third parties that might interfere with our own production.
2. Asserting our own patents against Brown & Williamson is a secondary consideration, and may perhaps only be possible in Germany.
3. In technological development of ventilated cigarettes by Philip Morris, an effort should be made to develop structures that differ from those of Brown & Williamson. It is difficult to advise in which way such structures should differ in the absence of issued claims in a Brown & Williamson patent. (The picture has been altered slightly by the recent issue of the Brown & Williamson Patent in the United States).
4. We recommend full exchange of information on technical developments in Philip Morris in the United States and Europe (subject to any statutory restrictions on export of information).

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## DISCUSSION

1. We discussed in detail the relevance of Brown & Williamson's German application and, more generally, the situation in other countries.

a) DE 30 11 959

This is not apparently a strong application but could be troublesome. Although PM 706 has an earlier priority date it is not published prior art. An issued German Patent on PM 706 might constitute a "prior claim" to a broad B & W claim in Germany, but B & W might retain narrower claims, for example specific claims to Fig. 4, which could still be troublesome because B & W's structure (rather than that of PM 706) is what all might wish to make. We need better arguments against B & W's application than B & W need against PM 706, because of the presence of Fig. 4 in the B & W application.

Dr. Hach agreed to prepare a statement of the best case we can bring at present against this German application. It can then be decided whether it would be helpful to file observations in the Patent Office ("poor man's opposition") or oppose the patent after issue. Consideration can also then be given to taking similar steps in other countries where B&W have filed, for example Australia.

b) We recommend that searches be put in hand to identify patents or applications, whether of B&W or third parties, which might interfere with any possible production of ours in Germany or elsewhere. Consideration can then be given to the advisability of attacking any or all of such patents or applications by intervention or opposition, where this is possible. It should however be borne in mind that prior art found effective in an attack on an application in a country requiring a high standard of invention, for example Germany, might not succeed elsewhere, and failure might damage our own position.

We have already studied the following patent specifications:

German 20 58 040

21 07 850

27 11 742

27 11 784

27 55 720

Swiss 618 589

DE 21 07 850 and 27 11 742 are of interest but do not seem to represent an insuperable obstacle.

2. We discussed the following PM patents or applications.

a) Osmalov, PM 495 (DE 1657261)

This is an issued patent with a main claim which refers to a "one piece plastics body" which would have to be identified with Barclay's plug wrap if the latter were to infringe. The US Osmalov patent specifies an extruded body and the claims of the German patent would be similarly interpreted in view of the file wrapper. A shift of emphasis would be required if the functional principle was to be protected. Success is not impossible but improbable. The deterrent value of this patent is doubtful in view of B&W's attitude to the US patent. Assertion of this patent would not directly raise problems in other countries.

b) Filosa & Claflin, PM 706 (DE 28 49 904)

The German application is not yet examined. To cover the Barclay construction it would require a new claim based on the functional principle of Fig. 7, without restriction to the cross-section feature of the original main claim. Prospects are better than with Osmalov because the new claim can be introduced during prosecution, but there will be inevitable delay before a patent on this invention can be asserted. A Gebrauchsmuster (GM -- "Utility Model") would not be effective earlier because its validity would inevitably be challenged.

A possible disadvantage in other countries of asserting this application in Germany is that a successful claim to Fig. 7 would strengthen B&W's position in countries where they have a "Barclay" application but we have no PM 706 application.

It is suggested that a desirable claim covering Fig. 7 should be drafted and that we should then have this claim examined in the patent application, perhaps informally or in a divisional application. A decision could then be taken whether to proceed or to abandon. Care would be taken that nothing would be done to strengthen B&W's position or otherwise weaken our defensive position.

3. Since considerable effort is being expended in developing filters of the dilution type, the desirability should be borne in mind of devising structures which differ from those shown in the patents of other parties.

JHB - April 1981

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